



OPTIMAL WAYS TO REDUCE THE IMPACT OF FINANCIAL RELATIONS ON INTERNATIONAL INTEGRATION PROCESSES

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ANNOTATION

The article describes the impact of Finance on international integrable processes and the world financial environment and the role of international relations in it. In this article, the changes that have occurred in the world economy will determine the development trends of international financial relations in the field of international financial relations, the transition from bilateral relations to multilateral relations, the deepening of the international division of labor in the world economy, the transformation of international trade relations from traditional trade in goods to a direct service, further expansion and acceleration of regional economic integration processes were scientifically based.

Keywords: *international integration, international division of labor, international trade, capital migration, economic integration, world currency system, international financial markets, international settlements, international taxation, international financial management.*

INTRODUCTION

The influence of finance on international integration processes and the role of international financial relations in the world financial environment are of great importance.

And this is related to the activity of the world economy as a system with the movement of goods, services and production factors. Based on this connection, international financial relations are formed.

International financial relations is a fundamental economic category that describes the movement of foreign currencies belonging to him in accordance with the decision of a person who is a participant of the international financial market.

In the second half of the last century, significant changes took place in the international financial system, and under the influence of these changes, the modern world monetary and financial system began to take shape. Changes in the world financial system and the development of international financial relations are largely related to the activities of transnational corporations, which have implemented a global strategy aimed at creating production networks around the world and efficient use of all resources. Also, transnational banks, which are financially stable and have a large number of foreign branches, played an important role in the development of international financial relations.

MAIN PART

Due to the change in the nature of the use of international lending, the volume of the international credit market increased sharply. Its last direction was not only the sphere of international exchange (products, services, etc.), but also the sphere of production. This situation required the attraction of some large loans for long periods, as well as the development of a complex of financial and credit services. In previous years, international credit was used to directly or indirectly finance the deficit of the balance of payments. Along with private companies, governments, state organizations and enterprises, and international credit organizations emerged as major debtors.

During this period, approximately 60% of the total deficit of the balance of payments of the oil-importing developed and developing countries was financed at the expense of the international capital markets. The increase in the volume of international credit occurred not only due to the growth of Euroloans, but also due to the expansion of foreign lending markets. As a result of the increase in the volume of the foreign loan market at the expense of the Japanese national currency "yena", the volume of foreign bond issuance in yen in Tokyo has

increased sharply. As a result of this situation, the Japanese yen began to be widely used in the Eurocurrency market.

During this period, a number of factors influenced the expansion of the international capital market, and as a result, the circulation and liquidity of international resources increased. Also, during this period, the world economy experienced two oil crises, which caused sudden changes in oil prices. As a result of this situation, oil exporting countries have a large currency surplus, and oil importing countries, including many developed countries, have a current account deficit. This deficit was mainly covered by the petrodollars received by international banks and the Eurobond market.

Other important changes in the world economy had a significant impact on the development of bilateral financial relations, both positively and negatively. These changes include changes in the world and regional currency systems, changes in the principles of the currency system, debt crises, the formation of economic integration associations by countries, the creation of international and regional financial organizations, the expansion of the activities of transnational corporations and banks, the global It is possible to include financial and economic crises.

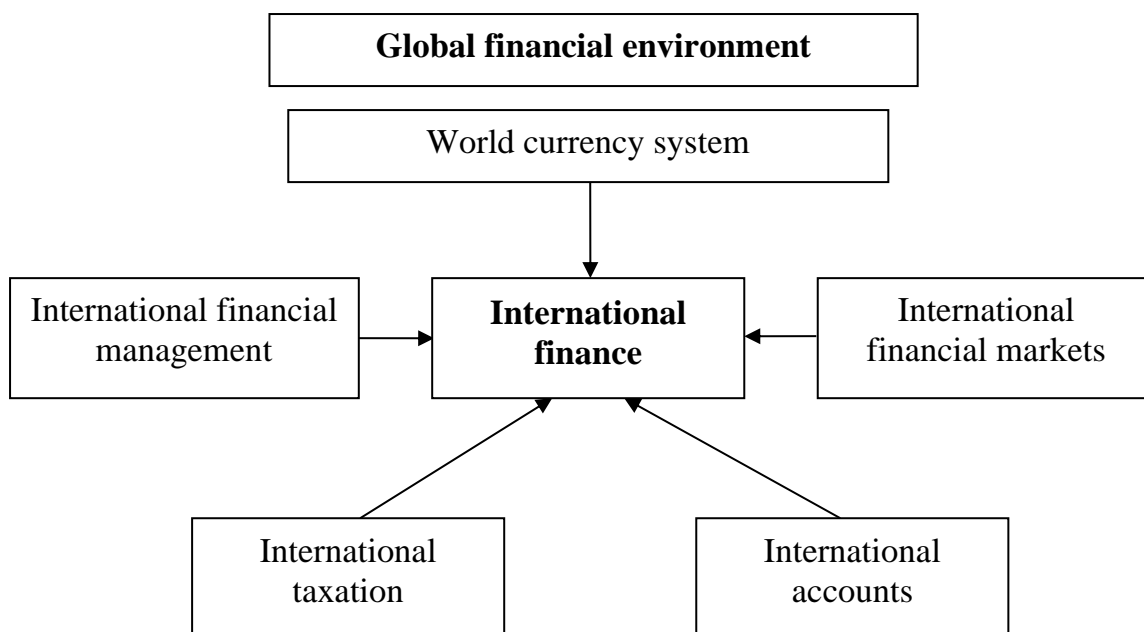


Figure 1. The structure of international finance

All organizational elements of international finance are united in the global financial environment (Figure 1). The global financial environment - the finances of investors and corporations, affects the decisions made by bank managers and determines the conditions for the growth of the global financial market.

The main functions of the international financial system are as follows:

- unification of currency exchange and settlement system conditions;
- regulation of exchange rate regimes and regulation of currency restrictions;
- regulation of international currency liquidity;
- unification of international rules of credit, insurance, investment and fund operations;
- organization of international financial institutions that implement and control these functions.

The following are involved as subjects of international financial relations: the state, enterprises, organizations, firms and international organizations and financial institutions, transnational corporations, transnational banks, stock exchanges, and individuals. International financial relations can arise between economic entities of different countries, between the state and governments of other countries and international organizations, between states and enterprises and international financial institutions.

The state is the main entity operating in the field of international finance.



Central banks are the bodies of state regulation of the economy, and they are assigned the tasks of monopolistically issuing banknotes, money circulation, credit and exchange rate regulation, and maintaining currency reserves.

International organizations - they are established on the basis of an international agreement and, having permanent bodies, perform the tasks of assisting the economic and social development of world economic units.

International currency-credit and financial organizations are economic organizations established on the basis of interstate agreements to regulate international currency and financial-credit relations in order to stabilize the world economy.

Entities such as transnational corporations and transnational banks play an active role in the development of international finance.

The role and importance of international financial relations in the development of the national economy is that the development process of the world economy is inextricably linked with the evolution of the development of international financial relations. International financial relations occupy a special place in the process of formation of the world economy.

International financial relations gradually became a structural element of the world economy. Currently, international financial relations can be evaluated as an independent economic system formed as a result of the development of the world economy.

The world economy is a global economic system as a set of national economies interrelated through international financial relations subject to the objective laws of the market economy.

The state of individual national economies plays an important role in the sustainable development of the world economy. Because national economies are the main subject of the world economy.

In the development of the national economy, the state of its relations with the outside world, the country's participation in international financial relations play an important role. The strengthening of the country's participation in international financial relations is inextricably linked with the effective organization of mechanisms for the implementation of international financial relations.

It should be noted that the subject of international financial relations includes two important components, that is, international financial relations and the mechanism of their implementation. It is known that international financial relations between countries are carried out through a certain mechanism, in which the normative norms established by international organizations, contracts and agreements at the international level, and mutually accepted agreements between countries are followed.

The mechanism of international financial relations includes international financial organizations that coordinate the implementation of legal norms and the means of their implementation (contracts, agreements, agreements, resolutions and conventions) aimed at the development of international economic relations.

International financial relations include relations between a single country and their regional associations and entities, separate organizations at different levels of complexity, which are often repeated in the world economic system.

International financial relations structurally require the study of:

- international currency relations;
- international economic integration processes;
- international trade relations;
- international movement of investments and capital;
- management of balances of payments of countries;
- implementation of international settlements;
- activities of international financial organizations, etc.

The objective basis of international financial relations is the international division of labor and the world economy and the system of economic relations in it. The modern world economy is a global economic system consisting of



a collection of national economies, which changes in accordance with the objective laws of the market economy, the international division of labor, and the international movement of production and capital.

The impact of the development of international financial relations on the national economy is manifested through the following important features:

The process of financial globalization includes the following changes:

- involvement of countries in the processes of the world economy;
- establishment of global markets of manpower, technology, capital, products and services;
- creation of a global infrastructure of world economic relations;
- universalization of rules of national economy with international financial relations;
- creation of international production networks based on large-scale production.

Establishment of economic integration area and associations. It is a process of economic integration of national economies based on the international division of labor.

Changes in international financial markets. Coordinates the participation of financial institutions operating in the national economy in the world financial markets.

Intensification of the process of global competition. This situation arises in the process of production and sale of high-quality products by national economies to occupy a place in world markets.

The growing role of transnational corporations and transnational banks. This situation occurred due to the strengthening of the process of transnationalization in the world economy, that is, the development of the activities of international companies and banks belonging to individual countries or several countries, and the expansion of foreign branches by them.

Liberalization of foreign economic activity in countries. This situation is represented by the degree of openness of the national economy to the outside world. In this regard, the creation of certain conditions for the participants of international financial relations, in particular, the reduction of duties in international trade, the creation of a favorable investment environment aimed at attracting foreign investors, and the abolition of currency restrictions are important.

Acceptance of the international legal framework of foreign economic relations.

Establishment of a system of international regulation and control of financial relations between countries.

The participation of a separate national economy in international financial relations can be characterized by several quantitative indicators:

- The amount of the export quota, in which the export volume is calculated as a percentage of GDP;
- The amount of the import quota, in which the import volume is calculated as a percentage of GDP;
- The amount of the foreign trade quota, in which the volume of foreign trade turnover is calculated as a percentage of GDP.

Based on the calculation of these indicators, it is possible to assess the country's participation in international financial relations.

Globalization of the world economy means the strengthening of various interrelated production sectors and processes of the world economy, the gradual transformation of the market of goods, services, capital, labor and technologies into a single market in the world economy.

In the world economy, the process of globalization and the opposite process are going along with the process of regional integration of economic activity. This process covers a group of countries on a limited scale, based on the free movement of goods and factors of production.

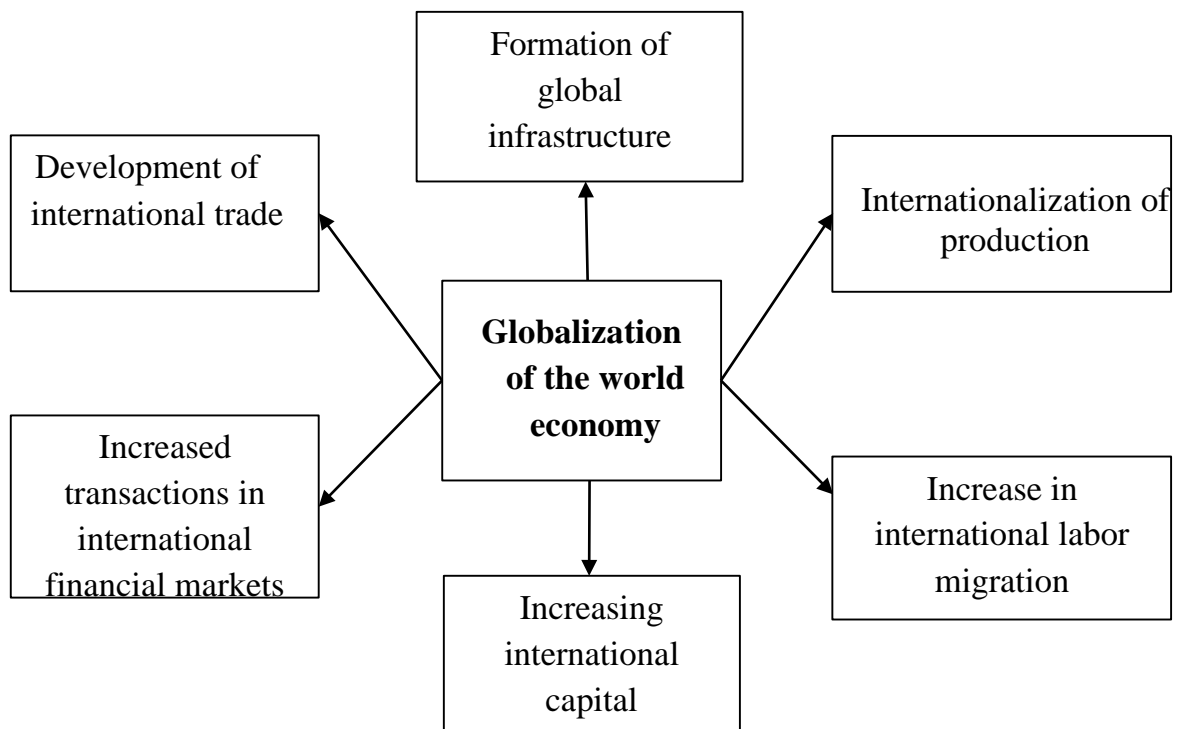


Figure 2. Globalization of the world economy

Regional integration, on the one hand, stimulates the process of economic unification of different countries, and on the other hand, it slows down the process of globalization of the world economy by increasing confrontation and competition between separate economic groups.

Changes in the world economy determine the future development trends of international financial relations:

- transition from bilateral relations to multilateral relations in the field of international financial relations;
- deepening of the international division of labor in the world economy;
- the transition of international trade relations from traditional goods trade to a means of direct service in national production processes;
- globalization of capital migration;
- further expansion and acceleration of regional economic integration processes.

In the development of international financial relations, the international movement of capital, especially in the form of direct foreign investment, entering one or another country, as well as the development of international trade in the field of products, various services, technologies, is a positive factor. is affecting as

The growth of world trade, the specialization and expansion of production, the development of international capital movements, the cross-border migration of goods, services and labor force contribute to the development of international financial relations, as well as the development of world financial markets and the expansion of activities of transnational corporations, international financial activities allows other aspects to accelerate.

The following conclusions can be drawn as the tasks of international finance in the context of financial globalization:

- ensuring the integration of national economies into a single international system;
- organization of international trade and rational movement of goods, services and capital exchange;
- adaptation of national economies to international economic and financial changes;
- to make recommendations in conducting the national financial policy of the countries.



International financial relations includes the system of financial relations that has come into international circulation and is used in international economic relations, that is, in the relations of residents with the outside world. International finance serves:

- Firstly, to economic relations and mutual cooperation between residents of different countries;
- Secondly, to the mutual relations of the countries of the world with various financial institutions;
- Thirdly, to organize operations of residents of different countries in international financial markets.

At the same time, in the context of the globalization of the world economy, international financial relations are increasingly developing, in which, first of all, the development of trade relations between countries has a special place and also causes many problems and imbalances. We believe that the optimal directions aimed at preventing these situations will have a positive effect on the development of international currency relations and international settlements if they are organized on the basis of the conclusions and proposals presented in this article.

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